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FOLLOWING REPEAT STATE 197983 ACTION ATHENS BEIRUT BOGOTA BUENOS AIRES CARACAS LONDON MADRID MEXICO NICOSIA PARIS RABAT AUG 20.

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QUOTE:

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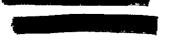
ETRD, ESTC, CU, US TAGS:

THIRD COUNTRY RESTRICTIONS AGAINST TRADE WITH

**CUBA** 

FOR THE AMBASSADOR

AS MOST ADDRESSES AWARE, THE OAS ADOPTED ON JULY 29 A FREEDOM OF ACTION RESOLUTION ON CUBAN SANCTIONS. GOVERNMENT HAS DECIDED TO MODIFY US RESTRICTIONS AGAINST TRADE WITH CUBA AS THEY RELATE DIRECTLY TO THIRD COUNTRIES.



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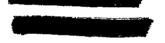
BECAUSE EXISTING RESTRICTIONS HAVE AFFECTED YOUR HOST GOVERNMENT, WE SUGGEST YOU INFORM IT EARLY IN THE MORNING . OF AUGUST 21.

THE MODIFICATIONS ARE BEING UNDERTAKEN BY THE USG IN LIGHT OF THE DECISION TAKEN BY THE ORGAN OF CONSULTATION OF THE ORGANIZATION OF AMERICAN STATES ACTING UNDER THE RIO TREATY TO LEAVE TO EACH MEMBER STATE TO DETERMINE FOR

ITSELF THE NATURE OF ITS ECONOMIC AND DIPLOMATIC RELATIONS WITH THE GOVERNMENT OF THE REPUBLIC OF CUBA. SUPPORTED THE FREEDOM OF ACTION RESOLUTION. IN LIGHT OF THE ACTION BY THE OAS, THE US BELIEVES IT DESIRABLE TO CHANGE THOSE ASPECTS OF OUR CUBAN DENIAL POLICY WHICH DIRECTLY AFFECT THIRD COUNTRIES IN ORDER TO MAKE US

POLICY CONSISTENT WITH THE END OF MANDATORY OAS SANCTIONS. WE WOULD NOT WISH TO TAKE ACTION DETRIMENTAL TO OTHER COUNTRIES, WHICH FAVOR TRADE WITH CUBA, ONCE THE OAS MANDATORY SANCTIONS HAVE TERMINATED.

- THE USG WILL GRANT LICENSES PERMITTING TRANSACTIONS BETWEEN US SUBSIDIARIES AND CUBA FOR TRADE IN FOREIGN-MADE GOODS WHEN THOSE SUBSIDIARIES ARE OPERATING IN COUNTRIES WHERE LOCAL LAW OR POLICY FAVORS TRADE WITH CUBA. SPECIFIC LICENSES WILL CONTINUE TO BE REQUIRED IN EACH CASE AND THEY WILL REMAIN SUBJECT TO REGULATIONS CONCERNING US ORIGIN PARTS, COMPONENTS, STRATEGIC GOODS AND TECHNOLOGY.
- IN THE VERY NEAR FUTURE, WE WILL ALSO TAKE STEPS TO PERMIT THE CONTINUATION OF ASSISTANCE UNDER THE FOREIGN ASSISTANCE ACT OF 1961 TO COUNTRIES WHICH PERMIT SHIPS AND AIRCRAFT UNDER THEIR REGISTRY TO TRANSPORT GOODS TO OR FROM CUBA AND TO PERMIT BUNKERING OF FOREIGN FLAG VESSELS IN THE CUBA TRADE. ADDITIONALLY, WE WILL SEEK AUTHORITY FROM THE US CONGRESS FOR BROADER WAIVER AUTHORITY REGARDING THE EXISTING PL 480, TITLE 1, FOOD SALES SUSPENSION REQUIREMENT FOR COUNTRIES THAT TRADE WITH CUBA. AT PRESENT WAIVER AUTHORITY EXTENDS ONLY TO CASES OF TRADE WITH CUBA IN AGRICULTURAL COMMODITIES AND FOODSTUFFS, NON-STRATEGIC RAW MATERIALS AND MEDICAL



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SUPPLIES.

ALTHOUGH SECRETARY KISSINGER HAS SAID WE ARE PREPARED TO START A BILATERAL DIALOGUE WITH CUBA, THE LIFTING OF US THIRD COUNTRY RESTRICTIONS AGAINST CUBA SHOULD NOT BE REGARDED IN THAT CONTEXT, BUT AS A COROLLARY TO THE OAS FREEDOM OF ACTION RESOLUTION. KISSINGER UNQUOTE MAW



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\*\*\* Current Handling Restrictions \*\*\* STADIS, EXDIS